Calendar No. 179

101ST CONGRESS *1st Session*	SENATE	REPORT 101-92

CERTIFICATE OF DOCUMENTATION FOR THE VESSEL "AMERICAN EMPIRE"

Mr. HOLLINGS, from the Committee on Commerce, Science, and Transportation, submitted the following

REPORT

OF THE

SENATE COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

ON

S. 1152

JULY 27 (legislative day, JANUARY 3), 1989.—Ordered to be printed

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U.S. GOVERNMENT PRINTING OFFICE

29-010 WASHINGTON : 1989

S263-23

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Mr. HOLLINGS, from the Committee on Commerce, Science, and Transportation, submitted the following

REPORT

[To accompany S. 1152]

The Committee on Commerce, Science, and Transportation, to which was referred the bill (S. 1152) to authorize a certificate of documentation for the vessel *American Empire,* having considered the same, reports favorably thereon with an amendment and recommends that the bill do pass.

PURPOSE OF THE LEGISLATION

S. 1152, as reported, grants coastwise trading and fisheries privileges to the vessel *American Empire.*

BACKGROUND AND NEEDS

Subject to certain limited exceptions, the provisions of law known as the Jones Act (Section 27 of the Merchant Marine Act, 1920) and sections 12106–12108 of title 46, U.S. Code, provide that only those vessels built in the United States, continuously documented under the laws of the United States, and continuously owned by U.S. citizens may transport merchandise or passengers in the coastwise trade of the United States.

Where the facts applicable to a particular vessel suggest that the U.S.-built, U.S.-documented, or U.S.-owned requirements have not been satisfied, the Coast Guard may not issue a document permitting coastwise trading privileges for that vessel unless the requirements of the law are statutorily waived.

The vessel M/V *American Empire,* U.S. official number 553645, is a 171.5-foot long crab processing vessel that was originally built in

Mississippi as an offshore supply vessel in 1973. The current owner, American Empire Limited Partnership of Washington, purchased and converted the vessel in the United States at a cost of $4,750,000. The owner intends to use the vessel to catch and process crabs in the domestic fisheries and to transport the products to Alaska and other points in the United States. The owner has stated that it intends to transport for itself and other crab vessels pots and other fishing gear to the fishing grounds and to return its and others' catches to and between ports in the United States. The owner does not intend to use the vessel to compete with regularly scheduled common carriers. The Committee's intention in authorizing issuance of a coastwise license for *American Empire* is to permit it to engage in that trade without competing with regularly scheduled common carriers.

The owner is seeking a statutory waiver of the Jones Act because subsequent to the construction of the vessel it was sold and registered in Panama. This creates a defect in the chain of title and registry for the purposes of the Jones Act and operation of the vessel in our coastwise trade. A waiver is necessary if the vessel is to be used for its intended purpose.

LEGISLATIVE HISTORY

S. 1152 was introduced in the Senate on June 8, 1989, by Senator Gorton. In open executive session on June 20, 1989, the Committee considered S. 1152, and ordered the legislation reported favorably without objection.

ESTIMATED COSTS

In accordance with paragraph 11(a) of rule XXVI of the Standing Rules of the Senate and section 403 of the Congressional Budget Act of 1974, the Committee provides the following cost estimate, prepared by the Congressional Budget Office:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, June 28, 1989.

Hon. ERNEST F. HOLLINGS,
Chairman, Committee on Commerce, Science and Transportation, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has reviewed S. 1152, a bill to authorize a certificate of documentation for the vessel *American Empire.* The bill was ordered reported by the Senate Committee on Commerce, Science, and Transportation on June 20, 1989. Enactment of S. 1152 is not expected to result in any cost to the federal government or to state or local governments.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Deborah Reis.

Sincerely,

ROBERT D. REISCHAUER
Director.

REGULATORY IMPACT STATEMENT

In accordance with paragraph 11(b) of rule XXVI of the Standing Rules of the Senate, the Committee provides the following evaluation of the regulatory impact of the legislation, as reported.

Because S. 1152 does not create any new programs, the legislation will have no additional regulatory impact, and will result in no additional reporting requirements. The legislation will have no further effect on the number or types of individuals and businesses regulated, the economic impact of such regulation, the personal privacy of affected individuals, or the paperwork required from such individuals and businesses.

SECTION-BY-SECTION ANALYSIS

The bill consists of one section. It provides that, notwithstanding sections 12105, 12106, 12107, and 12108 of title 46, U.S. Code, and section 27 of the Merchant Marine Act, 1920 (46 App. U.S.C. 883) as applicable on the date of enactment of this Act, the vessel *American Empire,* U.S. official number 553645, is eligible to engage in the coastwise trade and fisheries of the United States and the Secretary of the department in which the Coast Guard is operating may issue a certificate of documentation for such vessel.

CHANGES IN EXISTING LAW

In compliance with paragraph 12 of rule XXVI of the Standing Rules of the Senate, the Committee states that the bill as reported would make no change to existing law.

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